COPY

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9	BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS		
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11			
12	In the Matter of the Accusation Against:	Case No. 77/07-45	
13	LARRY R. SAENZ, OWNER K & A PAINT & BODY	OAH No. 2008080148	
		DEFAULT DECISION	
14	Respondent.	AND ORDER	
15		[Gov. Code, §11520]	
16	EDIDDICCO		
17	<u>FINDINGS OF FACT</u>		
18	1. On or about April 15, 2008, Complainant Sherry Mehl ("Complainant"), i		
19	her official capacity as the Chief of the Bureau of Automotive Repair ("Bureau"), Department of		
1	Consumer Affairs, filed Accusation No. 77/07-45 ("Accusation") against Larry R. Saenz a.k.a.		
20	Larry Ramirez, owner, K & A Paint & Body ("Respondent") before the Director of Consumer		
21	Affairs ("Director").		
22	,	the Pureau issued Automotive Penair Declar	
23			
24	Registration Number AA 214658 ("Registration") to Respondent. The Registration was		
25	delinquent from January 31, 2004, to October 11, 2005, and from January 31, 2006, to June 16,		
	2006. The Registration expired on January 31, 2008.		
26	3. On or about April 28, 2008, Constance Ward, an employee of the		
27	Department of Justice, served by Certified and First Class Mail a copy of the Accusation,		
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Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code sections 11507.5, 11507.6, and 11507.7 to Respondent's address of record with the Bureau, which was and is: 1539 East Tulare Avenue, Tulare, California 93274. A copy of the Accusation is attached as exhibit A, and is incorporated herein by reference.

- 4. Service of the Accusation was effective as a matter of law under the provisions of Business and Professions Code section 124.
- 5. A Notice of Hearing was served by mail at Respondent's address of record and it informed him that an administrative hearing in this matter was scheduled to begin on November 13, 2008. Respondent failed to appear at that hearing.
 - 6. Government Code section 11506 states, in pertinent part:
 - (c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense, and the notice shall be deemed a specific denial of all parts of the accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing.
 - 7. Government Code section 11520 states, in pertinent part:
 - (a) If the respondent either fails to file a notice of defense or to appear at the hearing, the agency may take action based upon the respondent's express admissions or upon other evidence and affidavits may be used as evidence without any notice to respondent.
- 8. Pursuant to its authority under Government Code section 11520, the Director finds Respondent is in default. The Director will take action without further hearing and, based on the evidence on file herein, finds that the allegations in the Accusation.
- 9. The total cost for investigation and enforcement in connection with the Accusation are \$6,717.25 as of November 12, 2008.

DETERMINATION OF ISSUES

- 1. Based on the foregoing findings of fact, Respondent has subjected his Registration to discipline.
 - 2. A copy of the Accusation is attached.
 - 3. The agency has jurisdiction to adjudicate this case by default.

4. The Director is authorized to revoke Respondent's Registration based upon

ORDER IT IS SO ORDERED that the Registration heretofore issued to Respondent is revoked. Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute. This Decision shall become effective on United YU It is so ORDERED December 23, 2008 Deputy Director, Board/Bureau Support Department of Consumer Affairs 30605664.wpd DOJ docket number:SA2007102609 Attachment: Exhibit A: Accusation No.77/07-45

Exhibit A
Accusation No. 77/07-45

1	EDMUND G. BROWN JR., Attorney General of the State of California		
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7	Attorneys for Complainant		
8			
9	BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS		
10	FOR THE BUREAU OF AUTOMOTIVE REPAIR STATE OF CALIFORNIA		
11		107 115	
12	In the Matter of the Accusation Against:	Case No. 77107-45	
13	K & A PAINT & BODY 1539 East Tulare Avenue	ACCUSATION	
14	Tulare, CA 93274 LARRY R. SAENZ, AKA		
15	LARRY RAMIREZ, OWNER		
16	Automotive Repair Dealer Reg. No. AA 214658		
17	Respondent.		
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19	Complainant alleges:		
20	<u>PARTIES</u>		
21	1. Sherry Mehl ("Complainant") brings this Accusation solely in her official		
22	capacity as the Chief of the Bureau of Automotive Repair ("Bureau"), Department of Consumer		
23	Affairs.		
24	Automotive Repair Dealer Registration		
25	2. On or about March 19, 2001, the Bureau issued Automotive Repair Deale		
26	Registration Number AA 214658 ("Registration") to Larry R. Saenz, also known as		
27	Larry Ramirez ("Respondent"), doing business as K & A Paint & Body. The Registration was		
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delinquent from January 31, 2004, to October 11, 2005, and from January 31, 2006, to June 16, 2006. The Registration expired on January 31, 2008.

STATUTORY PROVISIONS

- 3. Business and Professions Code ("Code") section 9884.7 states, in pertinent part:
 - (a) The director, where the automotive repair dealer cannot show there was a bona fide error, may refuse to validate, or may invalidate temporarily or permanently, the registration of an automotive repair dealer for any of the following acts or omissions related to the conduct of the business of the automotive repair dealer, which are done by the automotive repair dealer or any automotive technician, employee, partner, officer, or member of the automotive repair dealer.
 - (1) Making or authorizing in any manner or by any means whatever any statement written or oral which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.
 - (4) Any other conduct which constitutes fraud.
 - (6) Failure in any material respect to comply with the provisions of this chapter or regulations adopted pursuant to it.
 - (7) Any willful departure from or disregard of accepted trade standards for good and workmanlike repair in any material respect, which is prejudicial to another without consent of the owner or his or her duly authorized representative.
 - (b) Except as provided for in subdivision (c), if an automotive repair dealer operates more than one place of business in this state, the director pursuant to subdivision (a) shall only invalidate temporarily or permanently the registration of the specific place of business which has violated any of the provisions of this chapter. This violation, or action by the director, shall not affect in any manner the right of the automotive repair dealer to operate his or her other places of business.
 - (c) Notwithstanding subdivision (b), the director may invalidate temporarily or permanently, the registration for all places of business operated in this state by an automotive repair dealer upon a finding that the automotive repair dealer has, or is, engaged in a course of repeated and willful violations of this chapter, or regulations adopted pursuant to it.

4. Code section 9884.8 states:

All work done by an automotive repair dealer, including all warranty work, shall be recorded on an invoice and shall describe all service work done and parts supplied. Service work and parts shall be listed separately on the invoice, which shall also state separately the subtotal prices for service work and for parts, not including sales tax, and shall state separately the sales tax, if any, applicable to each. If any used, rebuilt, or reconditioned parts are supplied, the

invoice shall clearly state that fact. If a part of a component system is composed of new and used, rebuilt or reconditioned parts, that invoice shall clearly state that fact. The invoice shall include a statement indicating whether any crash parts are original equipment manufacturer crash parts or nonoriginal equipment manufacturer aftermarket crash parts. One copy of the invoice shall be given to the customer and one copy shall be retained by the automotive repair dealer.

- 5. Code section 9884.9 states, in pertinent part:
- The automotive repair dealer shall give to the customer a written estimated price for labor and parts necessary for a specific job. No work shall be done and no charges shall accrue before authorization to proceed is obtained from the customer. No charge shall be made for work done or parts supplied in excess of the estimated price without the oral or written consent of the customer that shall be obtained at some time after it is determined that the estimated price is insufficient and before the work not estimated is done or the parts not estimated are supplied. Written consent or authorization for an increase in the original estimated price may be provided by electronic mail or facsimile transmission from the customer. The bureau may specify in regulation the procedures to be followed by an automotive repair dealer if an authorization or consent for an increase in the original estimated price is provided by electronic mail or facsimile transmission. If that consent is oral, the dealer shall make a notation on the work order of the date, time, name of person authorizing the additional repairs and telephone number called, if any, together with a specification of the additional parts and labor and the total additional cost, and shall do either of the following:
- (1) Make a notation on the invoice of the same facts set forth in the notation on the work order.
- (2) Upon completion of the repairs, obtain the customer's signature or initials to an acknowledgment of notice and consent, if there is an oral consent of the customer to additional repairs, in the following language:

"I acknowledge notice and oral approval of an increase in the original estimated price.

(signature or initials)"

Nothing in this section shall be construed as requiring an automotive repair dealer to give a written estimated price if the dealer does not agree to perform the requested repair.

- (c) In addition to subdivisions (a) and (b), an automotive repair dealer, when doing auto body or collision repairs, shall provide an itemized written estimate for all parts and labor to the customer. The estimate shall describe labor and parts separately and shall identify each part, indicating whether the replacement part is new, used, rebuilt, or reconditioned. Each crash part shall be identified on the written estimate and the written estimate shall indicate whether the crash part is an original equipment manufacturer crash part or a nonoriginal equipment manufacturer aftermarket crash part.
- 6. Code section 9884.13 states, in pertinent part, that the expiration of a valid registration shall not deprive the Director of jurisdiction to proceed with a disciplinary

proceeding against an automotive repair dealer or to render a decision invalidating a registration

Code section 477 provides, in pertinent part, that "Board" includes "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency." "License" includes certificate, registration or other means to engage

REGULATORY PROVISIONS

California Code of Regulations, title 16, ("Regulation") section 3353,

No work for compensation shall be commenced and no charges shall accrue without specific authorization from the customer in accordance with the

- Revising an Itemized Work Order. If the customer has authorized repairs according to a work order on which parts and labor are itemized, the dealer shall not change the method of repair or parts supplied without the written. oral, or electronic authorization of the customer. The authorization shall be obtained from the customer as provided in subsection (c) and Section 9884.9 of
 - Regulation section 3364 states:
- An automotive repair dealer shall not remove, paint over, or otherwise deface any label or sticker which has been affixed to the doorpost. dash, underhood, windshield, or other location on a vehicle, and which contains identifying information regarding the vehicle or its emission control system components. An automotive repair dealer shall replace any such label or sticker which would otherwise be destroyed as part of the repair process, unless the replacement label or sticker is not reasonably available.
 - Regulation section 3365 states:

The accepted trade standards for good and workmanlike auto body and frame repairs shall include, but not be limited to, the following:

- Repair procedures including but not limited to the sectioning of component parts, shall be performed in accordance with OEM service specifications or nationally distributed and periodically updated service specifications that are generally accepted by the autobody repair industry.
- All corrosion protection shall be applied in accordance with manufacturers' specifications or nationally distributed and periodically updated service specifications that are generally accepted by the autobody repair industry.

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COST RECOVERY

11. Code section 125.3 provides, in pertinent part, that a Board may request the administrative law judge to direct a licentiate found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

UNDERCOVER OPERATION NO. 1 - 2000 PONTIAC GRAND PRIX

- Investigator using the alias Nancy Lee ("Operator #1"), brought a Bureau-documented 2000 Pontiac Grand Prix, California License #5MQY671, to Respondent's facility for collision repairs. Operator #1 spoke with a male who was identified as Mario. Operator #1 provided Mario with Insurance Estimate Number 306022, prepared by Western United Insurance Company, dated January 22, 2007, for \$5,750.99 ("Insurance Estimate No. 306022"), and requested that the repairs be made in accordance with the estimate.
- 13. On or about January 23, 2007, Respondent told Operator #1 that he would not charge her the \$500 insurance deductible and that he would perform the vehicle repairs according to Insurance Estimate No. 306022.
- 14. On or about January 25, 2007, Respondent called Western United Insurance Company and agreed to perform the vehicle repairs according to Insurance Estimate No. 306022.
- 15. On or about February 8, 2007, Respondent negotiated a check issued by Western United Insurance Company, payable to K & A Paint & Body, in the amount of \$5,250.97, for the vehicle repairs.
- 16. On or about February 15, 2007, Operator #1 returned to Respondent's facility to retrieve the vehicle. Respondent stated that the vehicle repairs had been made according to Insurance Estimate No. 306022, and that he would not charge the \$500 deductible. As a final invoice, Respondent provided Operator #1 with Estimate Report No. 695, dated February 15, 2007.

untrue or misleading. Respondent falsely represented to Operator #1 and Western United

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Insurance Company that Operator #1's vehicle had been repaired pursuant to Insurance Estimate No. 306022; however, Respondent failed to perform services or repairs, as more particularly set forth in paragraph 17 subparagraphs a through m, above.

SECOND CAUSE OF DISCIPLINE

(Fraudulent Acts)

19. Respondent is subject to disciplinary action pursuant to Code section 9884.7, subdivision (a)(4), in that in or around February 2007, Respondent committed acts which constitute fraud by receiving payment from Western United Insurance Company for repairs that Respondent had not performed, for parts that he had not replaced with new parts, and his failure to replace some parts at all, as more fully set forth in paragraph 17, subparagraphs a through m, above.

THIRD CAUSE FOR DISCIPLINE

(Failure to Comply with Provisions of the Automotive Repair Act)

- 20. Respondent is subject to disciplinary action pursuant to Code section 9884.7, subdivision (a)(6), in that in or around February 2007, Respondent violated the provisions of the Code, as follows:
- a. <u>Section 9884.8:</u> Regarding Report No. 695, Respondent failed to separately list all service work performed and parts supplied regarding the repairs to Operator #1's vehicle.
- b. <u>Section 9884.9, subdivision (c)</u>: Respondent failed to give Operator #1 an itemized written estimate for the auto body repairs, including a list or description of all labor, and parts and whether the crash part was an original equipment manufacturer crash part, a non-original equipment manufacturer aftermarket crash part, or a used part.

FOURTH CAUSE FOR DISCIPLINE

(Failure to Comply with Regulations Pursuant to the Automotive Repair Act)

21. Respondent is subject to disciplinary action pursuant to Code section 9884.7, subdivision (a)(6), in that in or around February 2007, Respondent failed to comply with

Regulation 3353, subdivision (e), by changing the method of repairs or parts supplied, as set forth in paragraph 17, subparagraphs a through m, above, without Operator #1's authorization.

UNDERCOVER OPERATION NO. 2 - 1988 TOYOTA CAMRY

- 22. On or about June 7, 2007, Cynthia Jessup, a Bureau undercover operator ("Operator #2"), accompanied by an undercover Tulare County District Attorney Criminal Investigator, brought a Bureau-documented 1998 Toyota Camry, California License # 4ARE088, to Respondent's facility for collision repairs. Operator #2 gave Respondent Insurance Estimate Number 01-AM97664, prepared by California State Automobile Association ("CSAA"), dated June 4, 2007, totaling \$3,525.24, and told Respondent to repair the vehicle in accordance with that estimate.
- 23. Respondent provided Operator #2 with his Estimate Report Number 823, dated June 7, 2007, that stated, "Repair as per Est ID #01-AM97664", in the amount of \$3,025.24.
- 24. On or about June 7, 2007, Respondent contacted Mr. Sullivan at CSAA. Respondent deemed that Items 1 and 2 on the estimate were unnecessary and Mr. Sullivan agreed to remove them. CSAA Estimate ID Number 01-AM97664, dated June 7, 2007, in the amount of \$2,925.13 was generated ("Revised Insurance Estimate No. 01-AM97664"), and Respondent agreed to perform the vehicle repairs accordingly.
- 25. On or about June 18, 2007, Respondent negotiated a check issued by CSAA, payable to K & A Paint & Body and Cynthia Jessup in the amount of \$2,925.13, for the vehicle repairs, which Respondent negotiated without Cynthia Jessup's signature. Cynthia Jessup neither executed the check nor gave anyone permission to sign it on her behalf.
- 26. On or about June 26, 2007, Operator #2, accompanied by another undercover Bureau operator, returned to Respondent's facility to retrieve the vehicle.

 Respondent told Operator #2 that the vehicle repairs had been completed. Respondent charged Operator #2 \$300 of the \$500 insurance deductible, which Operator #2 paid in cash. Operator #2 was provided with a copy of Report Number 823, dated June 26, 2007.

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NINTH CAUSE FOR DISCIPLINE

(Departure From Trade Standards Pursuant to Regulations)

- 32. Respondent is subject to disciplinary action pursuant to Code section 9884.7, subdivision (a)(7), in that in or around June 2007, Respondent wilfully departed from or disregarded accepted trade standards for good and workmanlike repair, by failing to perform auto body repairs that meet minimum requirements, as defined in the Regulations, as follows:
- a. Regulation 3364, subdivision (a): Respondent defaced the vehicle identification number by painting over it.
- b. Regulation 3365, subdivision (b): Respondent failed to follow procedures for corrosion protection by failing to refinish the lower edge of the replacement right rear quarter panel, around the wheel opening, and inside the trunk; and, failed to paint the right quarter panel and rear body panel.

CONSUMER COMPLAINT (SCHNABEL) - 1971 CHEVROLET CHEVELLE

- 33. On or about May 15, 2007, the Bureau received a Consumer Complaint from Mr. Schnabel ("Consumer") regarding Respondent's failure to complete repairs to Consumer's vehicle between in or around December 2006 and June 2007.
- 34. On or about December 6, 2006, Consumer agreed to pay Respondent \$9,000 total for auto body repairs on his 1971 Chevrolet Chevelle, including the removal of the body from the frame, replacement of the right quarter panel and trunk floor pan, sanding and painting the body and frame, replacement of the steering and suspension bushings on the frame, and reassembly. The Consumer paid Respondent a \$4,000 down payment. Respondent issued Estimate Report No. 630, dated December 6, 2006 ("Estimate Report No. 630"), reflecting that he had received a \$4,000 down payment and that the remaining balance was \$5,000. Respondent gave the Consumer a copy of Estimate Report No. 630. The description of work on Estimate Report No. 630 stated, "complete tear down install outers pull body sand and paint frame install busing trunk floor complete body work put back togather paintcomplete".

PRAYER

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WHEREFORE, Complainant requests that a hearing be held on the matters 2 herein alleged, and that following the hearing, the Director of Consumer Affairs issue a decision: 3 Temporarily or permanently invalidating Automotive Repair Dealer 4 1. Registration Number AA 214658 issued to Larry R. Saenz, also known as Larry Ramirez, doing 5 business as K & A Paint & Body; 6 Temporarily or permanently invalidating any other automotive repair 2. 7 dealer Registration issued to Larry R. Saenz, also known as Larry Ramirez, doing business as 8 K & A Paint & Body; 9 3. Ordering Larry R. Saenz, also known as Larry Ramirez, to pay the 10 Director of Consumer Affairs the reasonable costs of the investigation and enforcement of this 11 case, pursuant to Code section 125.3; and, 12 Taking such other and further action as deemed necessary and proper. 13 DATED: 4-15-08 14 15 in Mill 16 17 Bureau of Automotive Repair 18 Department of Consumer Affairs State of California 19 Complainant 20 03548110-SA2007102609 K&APaint&Body.wpd 21 [baf 11/20/07] 22 23 24